meeting in this regard with the State Finance Ministers; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) Inadequacy of receipts to meet growing expenditure of States have resulted in some States facing frequent cash imbalances and many States being unable to fund capital expenditure fully.

(c) and (d) A Committee headed by the Union Finance Minister comprising of Finance Minister from some States would look into the issues of State finances and submit a report by 30th September 2002. Accordingly the Government of India have constituted the High Powered Committee for assessing the fiscal situation of States.

Risk Based Supervision System in Banks

1402. SHRI MOOLCHAND MEENA: Will the Minsiter of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Reserve bank of India has asked all banks to set up their respective risk-based supervision (RBS) system by 31 st December 2002;

(b) if so, whether the deadline was conveyed to the banks at a meeting held recently;

(c) if so, what are the reasons for this; and

(d) to what extent the directive of the RBI has been implemented by banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) Yes, Sir. Reserve Bank of India, in August 2001, had issued a discussion paper on the "move towards Risk Based Supervision (RBS) of banks" to all Scheduled Commercial Banks with the direction to initiate action for completion of the certain tasks by the end of year 2002 for moving towards RBS.

(b) to (d) RBI held two meetings with the bankers in February-March, 2002 to involve banks in consultative process for switching over to RBS

Switch over to RBS is a gradual process and will be implemented in a phased manner. It also requires certain preparedness on the part of RBI and Banks and they are at various stages of preparation.

Allotment of PAN

1403. SHRI RAJU PARMAR:
SHRIBHAGATRAM MANHAR:

Will the Minsiter of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that a large number of Income Tax payers who have applied for Permanent Account Number (PAN) have not received the number from the concerned authorities even after a period of more than one year;

(b) if so, the total number of applications pending as on 30th June, 2002 with the Income Tax authorities; and

(c) what steps Government propose to take to ensure the timely dispatch of PAN number to the Income Tax payers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) No Sir, it is not correct that large number of Income Tax Payers who have applied for PAN have not received the number even after one year of application. A total of 2,49,43,274 applications were reveived for allotment of PAN till 30.6.2002. Out of the these 11,30,678 applications were found to be deficient or duplicate applications. Thus the number of valid applications received was 2,38,12,596 out of which Permanent Account Numbers have already been allotted to 2,30,74,428 persons till 30.6.2002 and only 7,38,168 valid PAN applications are pending for allotment, therefor, 96.9% of valid PAN applications have already been allotted PAN.

(c) the pending PAN applications are under process and all out efforts are being made for expeditious allotment of PAN to Income Tax payers.